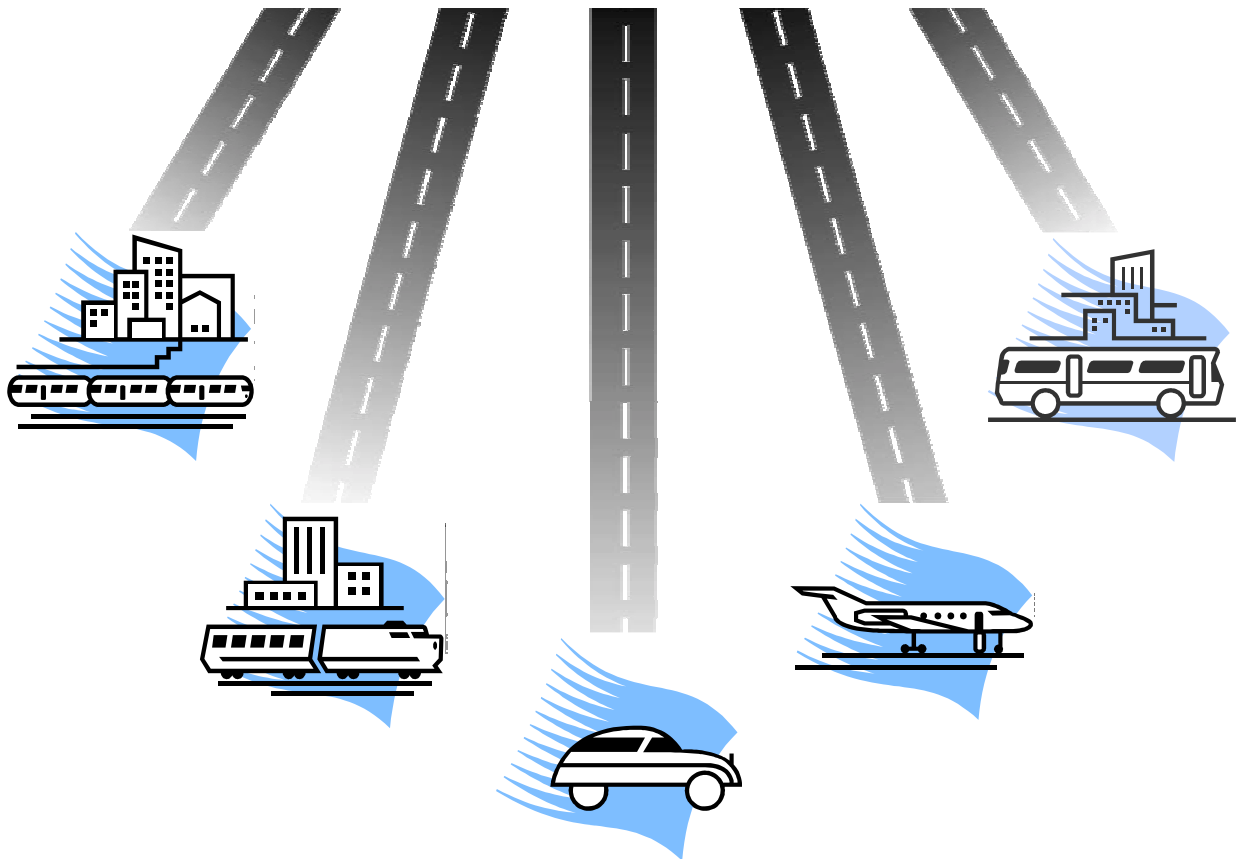




2002 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

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Prepared by
Department of Transportation
Business, Transportation and Housing Agency



2002 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

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EXECUTIVE SUMMARY

The California Department of Transportation (Department) manages the nation's largest and most complex multi-modal transportation system. Administration of such a system requires extensive planning and long-term financial forecasts. The State Transportation Improvement Program (STIP) Fund Estimate (FE) is an estimate of all the resources available at the state level for the State's transportation infrastructure over a specified period of time.

Statutes require the Department to present a FE to the California Transportation Commission (CTC) by July 15, and the CTC to adopt a FE by August 15 of each odd-numbered year. Each even-numbered year, the CTC is required to adopt a STIP based on funding identified in the adopted FE. The 2002 FE covers a five-year period from 2002-03 through 2006-07, with an additional two years detailed for the Advanced Project Development Element (APDE). The FE provides an estimate in annual increments of all Federal and State funds reasonably expected to be available for programming in the subsequent STIP.

The 2002 Fund Estimate forecasts an additional \$3.88 billion in capacity for the CTC to program for the State's transportation system over the next five years. The total funds available for new programming breaks down as follows: \$3.19 billion from the State Highway Account (SHA), \$182 million from the Public Transportation Account (PTA), \$502 million from the Traffic Improvement Fund (TIF), and \$23 million from the Aeronautics Account.

Total resources identified for the SHA 2002 FE are approximately \$30 billion. These revenues are generated primarily from Federal and State taxes on gasoline and diesel fuel and State weight fees. The SHA is the prime funding source for California's Highway Transportation System and pays for the operations of the Department, capacity improvements, rehabilitation, safety, and traffic operations on both Local and State Highway Systems. The SHA also funds Article XIX eligible projects, such as urban, commuter, and intercity rail and capital improvements.

The FE identifies resources for the PTA totaling over \$2.3 billion through the five-year period. Revenues in the account are derived from the State sales tax on gasoline and diesel fuel. The PTA funds the State Transit Assistance Program, supports the costs for the Department's Mass Transportation and Rail programs and provides funding for the State's Intercity Rail services operated by Amtrak.

Resources for the TIF are estimated at \$900 million over the five-year period. The TIF is a new fund created by the Traffic Congestion Relief Act of 2000. The source of funds for the TIF is General Fund transfers derived from State sales tax on gasoline and diesel fuel. This fund commits major resources to 141 designated transportation projects that relieve traffic congestion, to the repair and maintenance of local streets and roads, to the PTA, and for programming in the STIP.

The fund estimate for the Aeronautics Account identifies a total of \$52 million in resources, primarily from State excise taxes on aviation gasoline and jet fuel. The Aeronautics account provides grants to local agencies, supports the acquisition and development of new airports, and

contributes matching funds to Federal monies given directly to local agencies through the Airport Improvement Program.

The following table outlines the resources and the amounts available for programming by the CTC for each fund over the FE period.

AVAILABLE FOR PROGRAMMING		
Fund Estimate Totals		
(\$ in millions)		
	Total Resources	Available for Programming
State Highway Account	\$29,899	\$3,198
<i>Less: Unprogrammed Shares</i>		(\$270)
Public Transportation Account	2,254	182
Transportation Investment Fund	900	502
STIP Total	\$33,105	\$3,612
Aeronautics Account	\$52	\$23

INTRODUCTION

The California Department of Transportation (Department) is required by Government Code Sections 14524 and 14525 to develop a State Transportation Improvement Program (STIP) Fund Estimate (FE). The purpose of the FE is to provide an estimate in annual increments of all Federal and State funds reasonably expected to be available for programming in the subsequent STIP.

The Department is required to present a FE to the California Transportation Commission (CTC) by July 15, and the CTC to adopt a FE by August 15 of each odd-numbered year. Each even number year, the CTC is required to adopt a STIP based on funding identified in the adopted FE.

The previous fund estimate, the revised 2000 FE, was a four-year estimate that covered 2000-01 through 2003-04, with an additional two years for APDE. Adoption of the 2000 FE was finalized in July 2000 in response to the passage of Assembly Bill (AB) 1012, Chapter 783, statutes of 1999, and AB 2928, Chapter 91, Statutes of 2000.

AB 1012 added the APDE to the Fund Estimate, which provides funding for environmental, preliminary and final engineering, right of way engineering and associated project development activities for projects eligible for inclusion in the STIP.

AB 2928 created the Governor's Traffic Congestion Relief Plan (TCRP) and dedicated additional gasoline sales tax revenues and General Fund resources to transportation projects. AB 2928 also changed the Fund Estimate from a four-year to a five-year estimate, beginning with the 2002 FE.

Economy

Although California's economy remains strong, the rate of economic growth has slowed, and the stock market has experienced steep declines. Accordingly, anticipated tax revenues, particularly from capital gains and stock options, have been significantly reduced. Consistent with this drop in revenues, the Administration proposed a plan to provide relief to the General Fund and at the same time protect the investment in transportation. As a result, AB 438, (Chapter 113, Statutes of 2001), the Transportation Refinancing Plan in the 2001-02 Budget provides \$2.5 billion in General Fund relief.

Transportation Refinancing Plan

When the transportation funding plan for the Governor's Traffic Congestion Relief Program (TCRP) was enacted last year (AB 2928), the strong condition of the General Fund allowed a substantial initial deposit of \$2 billion toward a six-year, \$6.9 billion plan, which included \$5.3 billion of designated high-priority congestion relief projects. Beginning with 2001-02, the next five years of the plan were to be funded with a transfer of the sales tax on gasoline from the General Fund to the TIF.

Because transfers to the TCRP will exceed project expenditures in the next few years, the Administration has deferred the sales tax diversion to the TIF for two years and will keep the plan whole by adding two additional years of transfers of the sales tax on gasoline at the end of the plan (2006-07 and 2007-08). No transportation projects should be delayed by this shift. This two-year deferral is estimated at \$1.3 billion in 2001-02 and \$1.2 billion in 2002-03. As a result of this deferral, funds available for transportation will actually increase by \$516 million over the extended period.

Methodology

The methodology used for the FE is determined by the CTC in consultation with the Department, Regional Transportation Planning Agencies (RTPA), and county transportation commissions. The CTC approved the assumptions utilized to build the FE at its June 2001 meeting.

Since the 1996 FE, the CTC has directed the Department to base the SHA FE on a “Cash Flow Allocation Basis” model. This methodology schedules funding capacity based upon cash flow requirements and is reflective of the method used to manage the allocation of capital projects. The “Cash Flow Allocation Basis” is continued for the 2002 SHA FE. Other fund estimates are on a modified accrual basis

Statutes require the FE to be based on current statutes for estimating revenues and the most recent enacted Budget Act adjusted for the annual inflation rate. Revenue estimates are developed based on historical trends, the economic outlook, and in consultation with the California Department of Finance (DOF). State Operations costs are escalated at the rate established by DOF, which is 2.7 percent for the 2002 FE. The escalation rate for capital projects is based on the historical California Highway Construction Cost Index (CHCCI) rate of 3.4 percent. Expenditure estimates were developed by working with the various Department Divisions.

The SHA methodology continues to reflect the use of Advanced Construction (AC) through the 2002 STIP period. This enables the smoothing of project scheduling by using State resources to fund projects in advance of receiving Federal funds.

The FE is required to identify funds available for programming by county. The level of programming by county is driven by the county share system established by Senate Bill (SB) 45 (Chapter 622, Statutes of 1997).

Current Law Assumed

The FE is based on existing statute, including the 2001-02 Budget (Chapter 106, Statutes of 2001).

County Shares

The fund estimate is required by law to include County Share estimates. Of the funds available for the STIP, seventy-five percent are committed to the RIP and twenty-five percent to the IIP.

The county share estimates for the Advance Project Development Element (APDE) of AB 1012 are available for RIP and IIP projects.

In consultation with Commission staff, the Department included the unprogrammed county share from the 2000 FE in the “Available for Programming” total in the 2002 FE. Therefore to determine the \$3.61 billion new capacity for the STIP, Commission staff reduced the \$3.88 billion available for programming by the \$270 million unprogrammed county share balance. The \$270 million of unprogrammed county shares is the difference between the unprogrammed and advanced balances (See page 33).

Federal Transportation Act Impacts

Federal resources are generated primarily from the Federal tax on gasoline and diesel fuel, which is reflected in the Obligation Authority (OA) level expected under the Transportation Equity Act for the 21st Century (TEA-21).

The fund estimate assumes that OA for California will be 90.5 percent of the Federal funds apportioned to California during the fund estimate period.

The funding level for the Federal Aid Highway Program is adjusted annually to reflect revised revenue receipt estimates for the Federal Highway Trust Fund. This adjustment, called the Revenue Aligned Budget Authority (RABA), authorized an estimated additional OA amount of about \$565.5 million over the FE period.

TEA-21 will expire September 30, 2003. While the outcome of the new Act cannot be predicted, the last two federal acts have each increased total apportionments to California by more than 50 percent. Based on this, it is reasonable to assume a 20 percent increase in apportionments in the first year of the new federal act. Apportionments beyond the first year of the Act are projected to increase by 2 percent per year, consistent with previous Fund Estimates.

STATE HIGHWAY ACCOUNT (SHA)

The State Highway Account is the main funding source for California's Highway Transportation program. The principle sources of funds are the excise taxes on motor vehicle fuels, truck weight fees, and Federal Highway Trust Funds. This program commits major resources for improving highway safety, improving the interregional road system, and ensuring the efficient operation of the State Highway System.

Resources Available for Programming

The table below summarizes the funds available for additional programming in the SHA. Further details of the resources, expenditures and funds available for programming are presented in the following pages and in Appendix A.

State Highway Account							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Funds Available For Programming (\$ in millions)	(\$49)	\$20	\$281	\$464	\$792	\$1,690	\$3,198
<i>Less: Unprogrammed Shares</i>							(\$270)
Funds Available For Programming							\$2,928

Highlights

- The cash balance on July 1, 2001 was \$1,496 million.
- Transfers \$137.6 million from the SHA to the PTA over the FE period pursuant to Streets and Highways Code Section 194.
- Transfers \$233.4 million in non-Article XIX revenues from SHA to the PTA over the FE period pursuant to AB 2928 (Chapter 91, Statutes of 2000).
- The SHA will fund \$534 million for local road rehabilitation and support costs for the Traffic Congestion Relief Projects for the next two years. The funding will be reimbursed to the SHA in 2006-2007.
- Federal revenues assume an increase of two percent annually during the TEA 21 period and increase 20 percent in apportionment in the first year of the new federal act. Thereafter, apportionments are projected to increase by two percent per year.
- The Revenue Aligned Budget Authority (RABA) authorizes approximately \$565.5 million in additional OA over the FE period.
- The Department's goal is to maintain a Federal Advanced Construction (AC) level of \$1.2 billion.
- The Advanced Project Development Element (APDE) provides approximately \$766 million, \$574.5 million for RIP and \$191.5 million for IIP.



**STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
2002 STIP FUND ESTIMATE**

(\$ millions)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	FE Total	2007-08	2008-09	2 Year Total
RESOURCES										
Fuel Taxes	\$1,977	\$2,080	\$2,128	\$2,176	\$2,223	\$2,271	\$10,877	\$2,317	\$2,361	\$4,678
Motor Vehicle Registration (Weight Fees)	793	838	872	906	939	973	4,528	1,007	1,041	2,048
Revenues/Transfers	663	461	(39)	(58)	(79)	311	597	(51)	(97)	(148)
Reimbursement from Traffic Congestion Relief Program	0	0	0	0	0	180	180	0	0	0
STATE REVENUES	\$3,433	\$3,379	\$2,961	\$3,024	\$3,083	\$3,736	\$16,182	\$3,273	\$3,305	\$6,578
FEDERAL RESOURCES	2,277	2,336	2,775	2,821	2,869	2,917	13,717	2,968	3,020	5,989
TOTAL RESOURCES	\$5,710	\$5,715	\$5,736	\$5,844	\$5,951	\$6,653	\$29,899	\$6,242	\$6,325	\$12,567
STATE OPERATIONS	(\$1,447)	(\$1,463)	(\$1,553)	(\$1,595)	(\$1,638)	(\$1,682)	(\$7,931)	(\$1,727)	(\$1,774)	(\$3,502)
SHOPP										
SHOPP/TEA	(\$934)	(\$892)	(\$874)	(\$901)	(\$974)	(\$1,036)	(\$4,677)	(\$1,061)	(\$1,074)	(\$2,135)
Stormwater	(16)	(40)	(50)	(59)	(67)	(74)	(291)	(67)	(48)	(115)
Facilities - Office Buildings	(\$193)	(\$19)	(\$2)	(\$3)	(\$49)	(\$24)	(\$96)	\$0	\$0	\$0
Minor Program	(\$91)	(\$92)	(\$92)	(\$92)	(\$92)	(\$92)	(\$458)	(\$92)	(\$92)	(\$183)
Capital Outlay Support	(467)	(426)	(360)	(428)	(460)	(491)	(2,164)	(457)	(480)	(937)
TOTAL SHOPP	(\$1,700)	(\$1,469)	(\$1,377)	(\$1,482)	(\$1,641)	(\$1,718)	(\$7,687)	(\$1,676)	(\$1,694)	(\$3,370)
LOCAL ASSISTANCE										
Local Assistance/TEA	(\$821)	(\$878)	(\$919)	(\$984)	(\$1,047)	(\$1,106)	(\$4,934)	(\$1,115)	(\$1,173)	(\$2,288)
State Local Partnership	(17)	(12)	(5)	0	0	0	(17)	0	0	0
Retrofit Sound Walls	(55)	(134)	(31)	0	0	0	(165)	0	0	0
EEM	(10)	(10)	(10)	(10)	(10)	(10)	(50)	(10)	(10)	(20)
Local Assistance Support	(30)	(31)	(32)	(32)	(33)	(34)	(162)	(35)	(36)	(71)
Capital Outlay Support	(48)	(47)	(48)	(47)	(49)	(49)	(240)	(46)	(49)	(95)
TOTAL LOCAL ASSISTANCE	(\$981)	(\$1,112)	(\$1,045)	(\$1,074)	(\$1,139)	(\$1,199)	(\$5,568)	(\$1,206)	(\$1,268)	(\$2,474)
SUBTOTAL AVAILABLE	\$1,583	\$1,670	\$1,761	\$1,694	\$1,534	\$2,055	\$8,714	\$1,632	\$1,589	\$3,221
STIP										
Highway & Local Roads	(707)	(850)	(951)	(900)	(494)	(241)	(3,437)	(77)	(4)	(81)
Mass Trans/Rail	(167)	(196)	(136)	(70)	(56)	(32)	(490)	(25)	(18)	(43)
Right of Way	(170)	(153)	(122)	(86)	(51)	(26)	(438)	(10)	(3)	(13)
TCRP - Support	(60)	(60)	0	0	0	0	(60)	0	0	0
Capital Outlay Support	(527)	(391)	(270)	(174)	(140)	(67)	(1,042)	(20)	0	(20)
TOTAL STIP COMMITMENTS	(\$1,632)	(\$1,651)	(\$1,480)	(\$1,230)	(\$742)	(\$365)	(\$5,467)	(\$132)	(\$25)	(\$157)
AVAILABLE FOR PROGRAMMING	(\$49)	\$20	\$281	\$464	\$792	\$1,690	\$3,198	\$1,500	\$1,564	\$3,064
								For APDE	\$766	

Footnote: Numbers may not add due to rounding.

The "Available for Programming" total includes the Unprogrammed Shares from the 2000 FE.

SHA FUND ESTIMATE ASSUMPTIONS

The State Highway Account is the main funding source for the State's highway transportation program. Excise tax on motor vehicle fuels, motor vehicle weight fees, and reimbursements from the Federal Trust Fund for Federal-aid highway projects are the three major funding sources.

The Department receives the Federal funds from the Federal fuel taxes deposited in the Federal Highway Trust Fund. However, California provides about ten percent of the annual Trust Fund payments but receives only eight percent of the annual Federal distribution. Through the Federal Transportation Act (TEA-21) and the Federal budget, the fuel taxes are apportioned and allocated back to California. Before the funds can flow back to California, each Federal-aid highway project must be authorized in advance by the Federal Highway Administration and Federal funds obligated. After this formal authorization process and obligation of funds, Federal funds are reimbursed based on the monthly expenditure of work accomplished on each authorized Federal-aid project.

The CTC approved the assumptions used to develop the SHA FE at its June 2001 meeting.

Revenues

- The proposed Governor's Budget has historically been used as the base for developing the STIP FE.
- The cash balance on July 1, 2001 was \$1,496 million. An assumption in the development of the fund estimate was a "Prudent Cash Reserve" of \$140 million
- Conversion to program capacity adds \$907 million to resources over the FE to pay for prior commitments and produce new program capacity. Using the beginning cash balance on July 1, this conversion has two objectives, to maintain a relatively constant program level, and to offset the lag between when a project is programmed, and when expenditures occur.

Federal Revenues

- TEA 21 expires September 30, 2003. While the new Act cannot be predicted, the last two federal acts have increased total apportionments by more than fifty percent. Therefore, it is reasonable to assume a 20 percent increase in apportionments in the first year of the new federal act. Thereafter, apportionments are projected to increase by two percent per year.
- Obligation Authority (OA) is 90.5 percent of apportionment over the FE period.
- The Department's goal is to maintain a Federal Advanced Construction (AC) level of \$1.2 billion.
- State cash expenditures for AC are offset by Federal reimbursements (OA conversion) on a yearly basis.

- Federal Transportation Enhancement Activities (TEA) reservations are included in the fund estimate.

State Revenues

- Fuel Tax revenues reflect a projected 2.2 percent average annual growth through the FE period. This average growth rate is consistent with the Department of Finance (DOF) forecast for motor vehicle fuel consumption and corresponding growth in Fuel Tax revenues in the 2001-02 Budget.
- Weight Fee revenues growth rate is projected to average 3.8 percent annually through the FE period. These revenues are based on truck and trailer weight fees paid or apportioned to California.
- Revenue from the excise tax on liquefied petroleum gas, natural gas, ethanol and methanol is projected to remain constant at \$5 million throughout the FE.
- The remaining State resources consist primarily of the Surplus Money Investment Fund (SMIF) interest and rental income. SMIF interest is based on the forecasted SHA cash balance for each year of the FE period.
- Miscellaneous income includes the reimbursement of \$534 million in 2006-07 for local road rehabilitation and support costs for the Traffic Congestion Relief Projects mandated by the Governor's Transportation Refinance Plan, (AB 438).
- Historical growth trends are used to forecast rental income as well as other miscellaneous revenues.
- Transfers of \$137.6 million from the SHA to the PTA are projected over the FE period pursuant to Streets and Highways Code Section 194.
- Transfers of \$233.4 million in non-Article XIX revenues from SHA to the PTA are projected over the FE period pursuant to AB 2928 (Chapter 91, Statutes of 2000).

Expenditures

State Operations

- Includes expenses for the operation of the Department such as Maintenance, Program Development, Traffic Operations, Administration, Legal, Equipment Service Center, Transportation planning, Mass Transportation, and Local Assistance support.
- Statutes require that the FE incorporate "the most recent Budget Act" as the base in projecting future State Operations expenditures.
 - Statutes allow for these expenditures to be adjusted for inflation.
 - Statutes require the fund estimate to use the DOF escalation rate. The rate is 2.7 percent.
- Expenditure levels reflect continuation of all programs authorized under current statutes.
- Consistent with the assumptions adopted by the CTC, a contingency of \$50 million for Budget Change Proposals in 2002-03 and 2003-04 is included.

- “Partnership” COS costs are reduced before determining amount available for Regional and Interregional programming.

“Partnership” work includes:

- Oversight on Sale Tax Measure projects
- Preparation of environmental documents for Sales Tax Measure projects
- Oversight on other locally funded projects

Local Assistance

Federal Local Assistance

- Includes Regional State Transportation Plan (RSTP), Congestion Mitigation and Air quality (CMAQ) and TEA funds.
- The Commission annually allocates a lump sum amount for local assistance.
- The funds are then managed and programmed by regional agencies.
- The FE assumes Federal local assistance delivery levels at 100% of available funds (OA at 90.5% of apportionments) over the FE period.

Retrofit Soundwall Program

- The FE reflects the Administration’s decision to fund a specific list of retrofit soundwall projects based upon the statutory commitment to complete specific soundwall projects (Streets & Highways Code Section 215.5).
- The current cost estimate for the remaining retrofit soundwall projects is approximately \$226 million, which includes both support and capital costs, and is the level reflected in the 2000 FE.

State and Local Partnership Transportation Program

- Reflects close out of this program by 2002 consistent with chaptered legislation (SB 482).

Environmental Enhancement and Mitigation (EEM) Program

- \$10 million per year augmented with Federal TEA resources.

SHOPP Capital Outlay Expenditures

- The SHOPP includes projects that were based on the approved Four-Year SHOPP and Ten-Year SHOPP plan. In order to maintain a constant SHOPP level, the FE assumes that the program levels of the Ten-Year SHOPP are decreased by \$150 million in 2004-05 and \$100 million in 2005-06 and the program levels of Four-Year SHOPP are increased by \$100 million in 2002-03 and \$150 million in 2003-04.
- Capital Outlay Support modeling is based on the Four and Ten-Year SHOPP.
- SHOPP capital costs are escalated at 3.4% per year, reflecting the historical CHCCI.

- The FE assumes a \$10 million increase to the minor program, increasing that program to \$100 million annually. This increase will be targeted to expanding the involvement of small business in transportation projects in an effort to comply with the Governor's Executive Order D-37-01.
- The FE assumes future Legislatively approved Office Building projects will be funded with Lease Revenue bonds for the construction phase and use SHOPP funding for the Preliminary and Working Drawing phases. This is a new line item added to the FE. Previously these expenditures were a draw against the SHOPP.

Stormwater

- Resources are needed to ensure compliance with the conditions and requirements set forth by the State Water Resources Control Board and National Pollution Discharge Elimination System (NPDES) regulations. The FE reflects the level of need identified by the Department for the three new years of the FE period.

STIP Capital Outlay Commitments

Prior STIP Commitments

- Commitments made in the 2000 STIP are assumed to continue. The 2000 STIP project costs have been adjusted to reflect the CHCCI escalation rate of 3.4 percent.
- Expenditure levels reflect the continuation of all programs authorized under current statutes.
 - Includes STIP amendments resulting from the revised 2000 FE adopted in July 2000.
 - Transit expenditures reflect the program level in the 2000 STIP.
 - Capital Outlay Support (COS) for committed STIP programs is based on actual costs.
 - TCRP support reflects the Administration's commitment to fund the 141 designated transportation projects that relieve traffic congestion.

Reservations

Unprogrammed County Shares:

- In consultation with Commission staff, the Department included the unprogrammed shares from the 2002 FE in the "Available for Programming" total. The \$270 million carryover balances are subtracted from the \$3.88 billion available for programming to determine the \$3.612 billion in additional programming capacity for the 2002 STIP.

PUBLIC TRANSPORTATION ACCOUNT (PTA)

The Public Transportation Account (PTA) trust fund supports the costs for the Department's Mass Transportation and Rail programs and provides funding for the State's Intercity Rail services operated by Amtrak. Revenues to the account are derived from sales taxes on gasoline and diesel fuel and are transferred quarterly into the account based on estimates by the Board of Equalization (BOE), with the concurrence of Department of Finance. Fifty percent of the annual tax revenues and the Transportation Investment Fund (TIF) transfers are appropriated to the State Controller for allocation to local transit operations under the State Transit Assistance (STA) Program.

The remaining funds are appropriated to the Department for bus and passenger rail services; planning activities not payable from the SHA; mass transportation responsibilities; assistance in regional transportation planning; Institute for Transportation Studies of the University of California; CTC's activities not payable from the SHA; and Public Utility Commission's passenger rail safety responsibilities on commuter rail, intercity rail and urban rail transit lines.

Resources Available for Programming

The table below summarizes the resources available for additional programming in the PTA. Further details of the resources, expenditures and funds available for programming are presented in following pages.

Public Transportation Account						
	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Funds Available For Programming (\$ in millions)	\$39.2	\$41.8	\$33.4	\$14.6	\$53.3	\$182.3

Highlights

- Gasoline and diesel fuel sales tax revenues reflect an average annual growth rate of 1.8 percent. However, AB 426 (Chapter 156, Statutes of 2001) exempts diesel fuel from sales taxes when used in farming activities and food processing, including the transportation and delivery of farm products to the marketplace.
- AB 2928 codified the transfer of non-Article XIX revenues from the SHA into the PTA.
- Based on CTC Resolution G98-27, adopted by the CTC on December 3, 1998, PTA funds cannot be used for the Advanced Project Development Element (APDE). However, the funds available for ADPE have been identified for informational purposes. The resolution limits the use of PTA funds to Non-Article XIX eligible projects: maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment and services. These projects do not have environmental, preliminary and final engineering, right of way engineering or associated project development cost; therefore, they cannot be funded from the APDE.

- AB 438 (Chapter 113, Statutes of 2001), the Transportation Refinancing Plan defers the TIF transfers for two years. This will reduce projected PTA revenues during 2001-02 and 2002-03 by approximately \$177 million and increase projected revenues by \$135.6 million in 2006-07 and by \$159.6 million 2007-08.
- AB 438 allows the Traffic Congestion Relief Fund (TCRF) to borrow \$180 million in 2001-02 and \$100 million in 2002-03 to fund transit project costs in the TRCF. These funds will be repaid to the PTA in 2007-08.

**PUBLIC TRANSPORTATION ACCOUNT
2002 STIP FUND ESTIMATE**

(\$ in thousands)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	FE Total	2007-08	2008-09	2 Year Total
RESOURCES										
Beginning Reserve	\$261,401	\$70,761					\$70,761			\$0
Federal Trust Fund Matching Funds for State Opers.	51,525	36,593	37,581	38,596	39,638	40,708	193,116	41,807	42,936	84,743
Sales Tax On Gasoline-Spillover*	80,437	36,253	0	0	0	0	36,253	0	0	0
Sales Tax On Gasoline-Prop 111*	62,496	63,864	64,950	66,054	67,177	68,319	330,364	69,481	70,662	140,143
Sales Tax On Diesel*	198,940	174,154	176,571	182,205	187,627	193,193	913,751	198,907	204,774	403,681
Transfer from Aeronautics Account	30	30	30	30	30	30	150	30	30	60
Transfer to Toll Bridge Retrofit Account	0	0	(30,000)	(40,000)	0	0	(70,000)	0	0	0
Transfer to TCRP	(180,000)	(100,000)	0	0	0	0	(100,000)	280,000	0	280,000
Non Article XIX Transfer from SHA	46,450	45,720	46,187	46,663	47,149	47,645	233,364	48,151	48,666	96,817
Transfer from TIF	0	0	110,755	118,767	127,037	135,573	492,132	159,583	0	159,583
Transfer from State Highway Account	25,400	26,090	26,790	27,510	28,250	29,010	137,650	29,790	30,590	60,380
Interest (SMIF)	15,521	7,960	3,350	1,280	1,490	2,940	17,020	4,141	25,162	29,304
TOTAL RESOURCES	\$562,200	\$361,426	\$436,214	\$441,105	\$498,398	\$517,418	\$2,254,561	\$831,891	\$422,821	\$1,254,711
STATE TRANSIT ASSISTANCE	(170,936)	(137,136)	(176,138)	(183,513)	(190,921)	(198,543)	(886,250)	(213,986)	(137,718)	(351,704)
SUB TOTAL AVAILABLE RESOURCES	\$391,263	\$224,290	\$260,076	\$257,592	\$307,477	\$318,876	\$1,368,311	617,905	285,102	\$903,007
STATE OPERATIONS										
Rail & Mass Trans Staff & Support	(\$20,744)	(\$20,980)	(\$21,550)	(\$22,130)	(\$22,730)	(\$23,340)	(\$110,730)	(\$23,970)	(\$24,620)	(\$48,590)
Planning Staff & Support	(23,969)	(24,567)	(25,230)	(25,910)	(26,610)	(27,330)	(\$129,647)	(28,070)	(27,140)	(55,210)
Administration & Technical Services	(5,310)	(5,450)	(5,600)	(5,750)	(5,910)	(6,070)	(\$28,780)	(6,230)	(6,400)	(12,630)
California Transportation Commission	(1,448)	(1,490)	(1,530)	(1,570)	(1,610)	(1,650)	(\$7,850)	(1,690)	(1,740)	(3,430)
Public Utilities Commission	(2,357)	(2,420)	(2,490)	(2,560)	(2,630)	(2,700)	(\$12,800)	(2,770)	(2,840)	(5,610)
High-Speed Rail Authority	(1,047)	(1,080)	(550)	0	0	0	(\$1,630)	0	0	0
Institute of Transportation Studies	(956)	(980)	(1,010)	(1,040)	(1,070)	(1,100)	(\$5,200)	(1,130)	(1,160)	(2,290)
Federal Trust Fund Matching Funds off-set	(51,525)	(36,593)	(37,581)	(38,596)	(39,638)	(40,708)	(\$193,116)	(41,807)	(42,936)	(84,743)
TOTAL STATE OPERATIONS	(\$107,356)	(\$93,560)	(\$95,541)	(\$97,556)	(\$100,198)	(\$102,898)	(\$489,753)	(105,667)	(106,836)	(\$212,503)
LOCAL ASSISTANCE										
Job Access/Reverse Commute	(\$4,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bay Area Ferry Operations	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)	(13,965)	(2,793)	(2,793)	(5,586)
Reserve for Bay Area Water Transit Authority	(6,000)	0	0	0	0	0	0	0	0	0
STIP Rolling stock projects	(11,915)	0	0	0	0	0	0	0	0	0
Rural Transit System	(18,000)	0	0	0	0	0	0	0	0	0
TOTAL LOCAL ASSISTANCE	(\$43,208)	(\$2,793)	(\$2,793)	(\$2,793)	(\$2,793)	(\$2,793)	(\$13,965)	(\$2,793)	(\$2,793)	(\$5,586)
INTER-CITY RAIL OPERATIONS										
Intercity Rail & Bus Operations - Base	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$365,690)	(\$73,318)	(\$73,138)	(\$146,456)
New Service	0	(9,660)	(13,460)	(17,160)	(20,960)	(37,760)	(99,000)	(36,462)	(37,862)	(74,324)
Intercity Rail Equipment - heavy overhaul	(5,800)	(5,900)	(6,000)	(6,200)	(6,300)	(6,500)	(30,900)	(6,600)	(8,748)	(15,348)
TOTAL INTER-CITY RAIL OPERATIONS	(\$78,938)	(\$88,698)	(\$92,598)	(\$96,498)	(\$100,398)	(\$117,398)	(\$495,590)	(\$116,380)	(\$119,748)	(\$236,128)
CAPITAL OUTLAY										
Intercity rail track improvement	(\$91,000)	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY	(\$91,000)	0	0	0	0	0	0	0	0	0
PTA funds for 2000 STIP	0	0	(27,368)	(27,368)	(89,474)	(42,526)	(186,736)	(16,053)	(49,211)	(65,264)
AVAILABLE FOR PROGRAMMING	\$70,761	\$39,239	\$41,776	\$33,377	\$14,615	\$53,261	\$182,267	\$377,012	\$6,515	\$383,526
Footnote: Numbers may not add due to rounding.								For APDE		\$95,882

*Items subject to 50% split with STA

PTA Fund Estimate Assumptions

The Public Transportation Account (PTA) trust fund supports the Department's Mass Transportation and Rail programs and provides funding for the States Intercity Rail services operated by Amtrak. The CTC approved the assumptions utilized to build the PTA FE at its June 2001 meeting. Revenues in the account are derived from the sales taxes on gasoline and diesel fuels as estimated by the Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly into the account. The retail sales tax on diesel fuel and gasoline sales is transferred to the PTA pursuant to Revenue and Taxation Code (R & T Code) Sections 7102(a)(2) and 7102(a)(3).

Fifty percent of the annual revenues from the taxes and from the Transportation Investment Fund (TIF) are appropriated to the State Controller for allocation to local transportation agencies for State Transit Assistance (STA), which provides funding for the operating costs of transit operations.

In 2001, the general sales tax in California is 7.0% and is allocated to various uses by formula. The 7.0% current sales tax is distributed accordingly:

1. 0.25% flows to the Local Transportation Trust Fund
2. 2.0% to Local Governments
 - o 1.0% Cities and Counties General Fund
 - o 0.5% to Local Revenue Fund
 - o 0.5% to Local Public Safety Fund
3. 4.75% to State Retail Sales Tax Fund and a portion of the sales tax goes to the PTA:
 - o 4.75% tax on the 9 cents Gasoline Excise Tax (R & T Code, Section 7102(a)(2)); and
 - o 4.75% tax on diesel fuel sales, (R & T Code, Sections 7102(a)(3)) are transferred to the PTA
4. Remaining gasoline sales tax and all other sales taxes are transferred to the General Fund.

A spillover formula (R & T Code, Section 7102(a)(1)) was added to the law when gasoline was made subject to the sales tax base. At the same time, the General Fund (GF) sales tax rate was reduced by 1/4 percent. The concept was that adding gasoline to the sales tax base should not increase GF revenues; the revenue loss from the 1/4 percent reduction was supposed to offset the additional revenue from taxing gasoline. To ensure that the GF would not benefit from taxing gasoline, the spillover formula was added. The spillover formula essentially states that when the revenue from gasoline sales is greater than 1/4 percent of all other sales, the additional revenue goes to the PTA. AB 438 caps the spillover for 2001-02 to \$80.4 million and to \$36.3 million for 2002-03. If the cap is reached, the revenues over and above the cap would be split 50 percent to the PTA and 50 percent to the General Fund.

Revenues

- Beginning balance for the Public Transportation Account (PTA) is \$261million in 2001-02.
- Federal Trust Funds are matching resources against State Operations for support functions of eligible mass transit and rail program expenditures
- During 2001-02 and 2002-03, “spillover” revenues are expected because of the differential between fuel tax revenues and general sales tax revenues.
- AB 438 caps the spillover for 2001-02 to \$80.4 million and to \$36.3 million for 2002-03. If the cap were reached, the revenues over and above the cap would be split 50 percent to the PTA and 50 percent to the General Fund.
- Gasoline and diesel fuel sales tax revenues reflect an average annual growth rate of 1.8 percent. However, AB 426 (Chapter 156, Statutes of 2001) exempts diesel fuel from 4.75 percent sales taxes when used in farming activities and food processing, including the transportation and delivery of farm products to the marketplace.
- Transfers from the Aeronautics Account per Public Utilities Code, Section 21682.5 are \$30,000 per fiscal year.
- The PTA share of the Toll Bridge Seismic Retrofit Program cost (per SB 60) remains at \$70 million.
- AB 2928 codified the transfer of non-Article XIX revenues from the SHA into the PTA under Streets and Highways Code (S & H Code) Section 183.1. These transfers are projected to total \$233.4 million during the FE period
- S & H Code, Section 194 requires the transfer of SHA funds (\$25.4 million) into the PTA to fund planning activities attributable to highways and mass transit guideways. These transfers are projected to total \$137.6 million during the FE period.
- AB 438 allows the TCRF to borrow \$280 million to fund transit project costs in the TCRF. These funds will be repaid to the PTA in 2007-08.
- AB 438 defers the TIF transfers for two years. This will reduce projected PTA revenues during 2001-02 and 2002-03 by approximately \$177 million and increase projected revenues \$135.6 million in 2006-07 and by \$159.6 million 2007-08.
- Interest income uses the Surplus Money Investment Fund (SMIF) interest rate of 6.493 percent based on funds available for programming.

Expenditures

- State operations includes support staff for mass transportation responsibilities and assistance in regional transportation planning for bus and passenger rail services; planning activities not payable from the SHA; CTC’s activities not payable from the SHA; Public Utility Commission’s passenger rail safety responsibilities on commuter rail, intercity rail and urban rail transit lines; and the Institute for Transportation Studies of the University of California. The support costs are escalated at the DOF annual rate of 2.7 percent.

- Rail and Mass Transit support expenditures include \$216,000 for TCRP rail projects and \$314,000 for the Farmworkers Transportation Pilot – Job Access Reverse Commute Program (JARC).
- Administrative and Technical Services includes an increase of \$412,000 for administrative costs of Proposition 116, the Clean Air and Transportation Bond Act of 1990. Costs are escalated at the DOF annual rate of 2.7 percent.
- High-Speed Rail Authority support costs are escalated at the DOF annual rate of 2.7% and reflect the Program sunset date of December 31, 2003 (Public Utilities Code, section 185020(h)).
- Federal Trust Funds are matching funds against State Operations for support functions of eligible mass transit and rail program expenditures.
- Mass Transit includes a \$4.5 million appropriation for the JARC in 2001-02. The \$4.5 million is a match for federal trust funds.
- \$2.8 million is authorized for Bay Area Ferry operations. The expenditures are not escalated because historical costs have been constant.
- \$12 million was appropriated to the Bay Area Water Transit Authority during 2000-01 to fund environmental impact report and design functions. Of the \$12 million, \$6 million remains and the Authority will receive the remaining monies upon completion of certain documents and delivery to the Legislature.
- The 2001-02 Budget authorizes \$11.9 million in STIP rolling stock projects.
- The 2001-02 Budget authorizes \$18 million for a new Rural Transit System Grant Program. This program is a competitive grant program to provide funds for rural public agencies for capital improvement projects.
- Intercity Rail and bus operations base is \$73.1 million and includes \$9.5 million for expanded service on existing routes. The costs are not escalated because Amtrak assumes that future gains in efficiency will offset any cost increases.
- New rail service costs are in accordance with Rail Program Report as presented to the CTC November 2000.
- \$91 million is for capital outlay for Intercity rail track improvements on the Pacific Surfliner (\$41 million), the San Joaquin (\$29.4 million), and Capitol Corridor (\$20.6 million) lines.
- The 2000 FE resulted in \$264 million of PTA funds available for rolling stock projects in the STIP. Of this, \$11.9 million was authorized in 2001-02. The remainder is projected to be expended over six years beginning with 2003-04.
- All state operations, local assistance, and capital costs are consistent with the 2001-02 Budget.

TRANSPORTATION INVESTMENT FUND (TIF)

The Transportation Investment Fund (TIF) provides new transportation funding as a result of the passage of the Traffic Congestion Relief Act of 2000 established through Chapter 91, Statutes of 2000 (AB 2928) and Chapter 656, Statutes of 2000 (SB 1662). The Transportation Refinancing Plan proposed during the Governor's Budget May Revision defers funding to the TIF for two years. The source of funds is General Fund transfers derived from state sales tax on motor vehicle fuel. This fund commits major resources to 141 designated transportation projects that relieve traffic congestion, to the State Transportation Improvement Program (STIP), to the repair and maintenance of local streets and roads, and to the Public Transportation Account.

Resources Available for Programming

The table below summarizes the resources available for additional programming in the TIF. Further details of the resources and funds available for programming are presented in the following pages.

Transportation Investment Fund						
	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Funds Available for Programming (\$ in millions)	\$0	\$81	\$95	\$138	\$188	\$502

Highlights

- An additional \$516 million was added to the overall Governor's Traffic Congestion Relief Plan. The Transportation Refinancing Plan postpones the revenue transfers to the TIF until fiscal year 2003-04 and continues the program through fiscal year 2007-08. This schedule does not delay any transportation projects.
- There is \$474 million in additional resources for the STIP in the TIF in fiscal year 2007-08.
- The 2002 FE period provides a total of \$502 million in the TIF for new programming, with an additional \$160 million for the Advanced Project Development Element.

TRANSPORTATION INVESTMENT FUND
2002 STIP FUND ESTIMATE
(\$ millions)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	5-Year Total	2007-08	2008-09	AB1012 Total
RESOURCES										
Beginning Reserves:		\$0					\$0			
Revenues from the General Fund	0	\$0	1,232	1,272	1,313	1,355	5,172	1,400		1,400
<i>Less Transfers Out:</i>										
Traffic Congestion Relief Fund	0	0	(678)	(678)	(678)	(678)	(2,712)	(602)		(602)
Local Street and Road Repairs	0	0	(222)	(238)	(254)	0	(714)	0		0
Public Transportation Account	0	0	(111)	(119)	(127)	(135)	(492)	(160)		(160)
State Highway Account	0	0	0	0	0	(354)	(354)	0		0
TOTAL RESOURCES	\$0	\$0	\$221	\$237	\$254	\$188	\$900	\$638		\$638
2000 FE Available for STIP Programming	0	0	(108)	(108)	(116)	0	(332)			
2000 FE Available for STIP Programming (APDE)	0	0	(32)	(34)	0	0	(66)			
AVAILABLE FOR PROGRAMMING	\$0	\$0	\$81	\$95	\$138	\$188	\$502	\$638	\$0	\$638
								\$160 million for APDE		

TIF FUND ESTIMATE ASSUMPTIONS

The Transportation Refinancing Plan has deferred the General Fund transfer of sales tax on motor vehicle fuel to the TIF for two years. The 2002 FE adjusts for current revenue estimates from the Transportation Refinancing Plan and for previously programmed STIP funding from the TIF. In addition the CTC approved the assumptions used to develop the TIF FE at its June 2001 meeting.

Revenues

- Sales tax revenues on motor vehicle fuel, previously held by the General Fund, will be transferred to the TIF beginning fiscal year 2003-04, and ending fiscal year 2007-08. Revenue and Taxation Code Section 7104 outlines the requirements for these transfers. Total revenues over the 5-years are projected to be \$6.6 billion.
- The level of TIF funding will fluctuate depending on both the price and the amount of gasoline consumed in the state. Long term revenue growth assumptions from the Department of Finance estimate that taxable gasoline gallons will increase 1.7 percent annually, taxable diesel gallons will grow 1.2 percent and both gasoline and diesel price will increase 1.45 percent annually.

Transfers Out

Traffic Congestion Relief Fund

- Statutory quarterly transfers to the Traffic Congestion Relief Fund, per Revenue and Taxation Code Section 7104 (c)(1), begin in fiscal year 2003-04, and end in fiscal year 2007-08. The sum of \$678 million will be provided annually in four successive fiscal years, and \$601.9 million will be transferred in fiscal year 2007-08.

Local Street and Road Repairs

- Beginning in fiscal year 2003-04, forty percent of TIF revenue remaining after the quarterly transfer to the TCRF will be distributed to cities and counties for transportation purposes pursuant to per Revenue and Taxation Code Section 7104 (c)(4), (5). No transfers will be made in fiscal years 2006-07 and 2007-08.

Public Transportation Account

- Twenty percent of TIF revenue remaining after the quarterly transfer to the TCRF will be transferred to the Public Transportation Account (PTA), beginning in fiscal year 2003-04 and ending in fiscal year 2007-08. The funds will be appropriated by the Legislature, with fifty percent staying in the PTA for transit capital purposes. The Controller will allocate the remaining fifty-percent for State Transit Assistance.

State Highway Account

- The State Highway Account (SHA) is supporting funding for local roads in the amount of \$354 million (\$154 million in fiscal year 2001-02 and \$200 million in fiscal year 2002-03). This loan will eliminate any adverse fiscal impact to cities and counties during the two-year gasoline sales tax revenue deferral period. Cities and counties will not receive allocations during the two-year extension period of the Transportation Refinancing Plan. The SHA will be reimbursed for its \$354 million loan to local roads in fiscal year 2006-07.

Total Resources

- The amount of resources remaining in the fund after all the statutory quarterly transfers are made, represents forty percent of TIF funding available to the Department. Because cities and counties will not be participating in the plan during 2006-07 and 2007-08 fiscal year, the amount of funding available to the Department represents eighty percent of TIF remaining resources in those years. These funds are available for programming for transportation capital improvement projects subject to all of the provisions governed by the STIP. TIF revenues for the STIP will be available beginning in fiscal year 2003-04, and ending fiscal year 2007-08.

2000 FE Available for STIP Programming and APDE

- Included in SHA 2000 FE were \$398 million in TIF resources available for STIP programming. The TIF resources were based on the 2000 May Revise projections. Since that time, the Transportation Refinancing Plan has provided revenue updates and has deferred the plan for two years. Therefore, the TIF resources available for programming were adjusted to reflect the most current plan.

AERONAUTICS ACCOUNT

The Division of Aeronautics promotes optimum use of existing airports. This is achieved by overseeing a statewide system of safe and environmentally compatible airports that are integrated with surface transportation systems. The CTC approved the assumptions utilized to build the Aeronautics Account FE at its June 2001 meeting. The majority of the revenues supporting the Division of Aeronautics come from an eighteen-cent per-gallon excise tax on aviation gasoline and a two-cent per-gallon tax on jet fuel. The tax is levied on general aviation aircraft only.

The Division of Aeronautics allocates funds through three programs. The Grants to Local Agencies program provides \$10,000 to each of the 149 qualifying airports and is projected to remain at the same level through the FE period. The Acquisition and Development (A&D) figures are from the 2000 Aeronautics Program, adopted by the CTC. Lastly, the Airport Improvement Program (AIP) matches Federal monies given directly to local agencies.

Resources Available for Programming

The 2002 FE shows additional programming capacity of \$23 million in the Aeronautics Account. There have been no changes in legislation that would affect the Aeronautics Account.

Aeronautics Account						
	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Funds Available for Programming (\$ in millions)	\$9.1	\$3.7	\$3.5	\$3.4	\$3.3	\$23.0

Revenues

- Revenues generated from the excise tax on aviation gasoline are expected to continue to decline slightly, as the industry continues to move toward jet fuel-powered aircraft. Conversely, revenue from the tax on jet fuel is forecast to gradually increase throughout the FE period. The net result is a moderate decrease in total resources to the Aeronautics fund.
- Miscellaneous revenue estimate projections for 2001-02 are based on the 2001-02 Governor's Budget figures.
- Interest income is based on the actual cash balance of \$18 million and Division of Aeronautics expenditure projections for 2001-02, using the current SMIF rate. Revenue from SMIF represents a significant increase from prior years, based on an increased cash balance.

Expenditures

- Grants to Local Agencies are assumed to remain at \$1.49 million per year.
- Acquisition and Development (A&D) costs are shown at \$2.18 million for 2001-02 and \$1.88 million for 2002-03. The remainder of the STIP period is shown without A&D

spending. The A&D level for these years will be determined when the next three-year Aeronautics Program is adopted in 2002.

- The Airport Improvement Program (AIP) is shown at \$1.7 million for 2001-02 and \$1.8 million for 2002-03. The remainder of the STIP period is shown without AIP spending. The AIP match for these years will be determined when the next three-year Aeronautics Program is adopted in 2002.
- The DOF has provided inflation estimates in accordance with Government Code Section 14525.1; program support costs are escalated at the DOF rate of 2.7 percent.
- All state operations and local assistance are consistent with the 2001-02 Governor's Budget.

AERONAUTICS ACCOUNT
2002 FUND ESTIMATE
(\$ in thousands)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	TOTAL
RESOURCES							
Beginning Reserves	\$9,496	\$8,963					\$8,963
Aviation Gas Excise Tax	4,810	4,763	4,627	4,490	4,354	4,217	22,451
Jet Fuel Excise Tax	2,070	2,153	2,239	2,328	2,422	2,518	11,660
Interest (SMIF)	688	1,168	1,168	1,168	1,168	1,168	5,840
Federal Trust Funds	584	596	608	620	632	645	3,100
Sale of Documents	2	2	2	2	2	2	10
Transfer To PTA Account	(30)	(30)	(30)	(30)	(30)	(30)	(150)
TOTAL RESOURCES	\$17,620	\$17,615	\$8,614	\$8,578	\$8,548	\$8,520	\$51,874
EXPENDITURES*							
State Operations	(\$3,280)	(\$3,369)	(\$3,460)	(\$3,553)	(\$3,649)	(\$3,747)	(\$17,777)
TOTAL EXPENDITURES	(\$3,280)	(\$3,369)	(\$3,460)	(\$3,553)	(\$3,649)	(\$3,747)	(\$17,777)
SUBTOTAL AVAILABLE	\$14,340	\$14,246	\$5,154	\$5,025	\$4,899	\$4,772	\$34,097
LOCAL ASSISTANCE							
Grants to Local Agencies	(\$1,500)	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$7,450)
Acquisition & Development	(2,177)	(1,888)	0	0	0	0	(1,888)
Airport Improvement Program match	(1,700)	(1,800)	0	0	0	0	(1,800)
TOTAL LOCAL ASSISTANCE	(\$5,377)	(\$5,178)	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$11,138)
AVAILABLE FOR PROGRAMMING	\$8,963	\$9,068	\$3,664	\$3,535	\$3,409	\$3,282	\$22,959

* Includes Federal Trust Fund Expenditures

TRAFFIC CONGESTION RELIEF FUND

The Traffic Congestion Relief Fund (TCRF) has been established along with the Transportation Investment Fund (TIF) as a result of the passage of the Traffic Congestion Relief Act of 2000 established through Chapter 91, Statutes of 2000 (AB 2928) and Chapter 656, Statutes of 2000 (SB 1662), and has been revised through the Transportation Refinancing Plan. The principal source of funds is derived from state sales tax on motor vehicle fuel, which are transferred quarterly from the TIF. The TCRF commits major resources to 141 designated transportation projects that relieve traffic congestion.

There are no STIP resources available for programming in the TCRF. The information provided here is for informational use, only.

Highlights

- The TCRF has received an appropriation of \$1.5 billion from the General Fund and \$500 million from the transfer of sales tax on motor vehicle fuel during fiscal year 2000-01.
- The Transportation Refinancing Plan postpones the revenue transfers from the TIF until fiscal year 2003-04, but continues funding through fiscal year 2007-08. This schedule does not delay any transportation projects. Sufficient reserves from fiscal year 2001-02 remain available in the TCRF to meet the current program cash needs. There are plans to borrow from the State Highway Account, Public Transportation Account, Motor Vehicle Account, and the General Fund, if needed, to meet future cash flow needs.
- An exchange of federal funds for TCRF funds is allowed under the Traffic Congestion Relief Act. The exchange is limited to the federal Congestion Mitigation and Air Quality and Regional Surface Transportation programs. Upon approval by the CTC, regional transportation planning agencies can “swap” these restricted federal funds with TCRF funds that have fewer expenditure rules. There must be no adverse impact on TCRF projects as a result of the funding swap. The Department will use the exchanged federal funds for qualified federal funded projects. The exchange program will eliminate the federal requirements for many local projects and accelerate the spending of transportation funds.
- The Transportation Refinancing Plan proposes \$3.314 billion in transferred TIF revenues for the TCRF (\$678 million annually from fiscal years 2003-04 through 2006-07 and \$602 million in fiscal year 2007-08).

Traffic Congestion Relief Fund
Status of 141 Projects as of June 30, 2001

(\$ in millions)

Resources		
<i>FY 2000-01:</i>		
General Fund Appropriation	\$1,500	
Sales Tax on Gasoline	500	
<i>FY 2003-04 through 2007-08:</i>		
Transfers from TIF	3,314	
Total Resources Available		\$5,314
Committed Program		
Apportionments to Cities and Counties	\$400	
High Speed Rail Authority	5	
109 Projects to date before the CTC	4,291	
(Funds Approved by CTC - \$1,745)		\$4,696
(Funds Allocated to Date - \$642)		
Remaining Funds Available for 32 Projects		\$618

RAIL BOND ACCOUNT

The Clean Air and Transportation Improvement Bond Act of 1990 (Proposition 116) is more commonly known as the Rail Bond Account. This voter initiative provided \$1.99 billion for passenger and commuter rail systems, with limited funds available for public mass transit guideways, paratransit vehicles, bicycle and ferry facilities, and a railroad technology museum. This portion of the Fund Estimate is provided for informational use.

- As of June 2001 the Clean Air and Transportation Improvement Bond Act of 1990 (Proposition 116) had \$197.58 million available for programming.
- Of the \$1.99 billion available from the sales of bonds:
 - \$1.79 billion has been committed to projects and support.
 - Cash expenditures of \$1.57 billion have been made.

Pursuant to Public Utilities Code, Section 99684 (a), if funds allocated to an agency in Proposition 116 are not expended or allocated by July 1, 2000, the Legislature may, by a two-thirds vote, reallocate those funds for another rail project within that agency's jurisdiction. Additionally, if any of the funds are not expended or encumbered prior to July 1, 2010, the Legislature may, in the same manner, reallocate the funds for any other passenger rail project in the state (PUC 99684 (b)).

CLEAN AIR AND TRANSPORTATION IMPROVEMENT BOND FUND
Proposition 116
 (\$ in millions)
As of June, 2001

		STIP TOTAL
Resources		
Bond Authorization		\$1,990.00
Support Costs		
Administrative Support	\$10.00	
Committed Program		
Rail Projects	\$1,660.01	
Non-Urban County	\$73.00	
Competitive Bicycle	\$20.00	
Waterborne Ferry Program	\$29.41	
<i>Approved Applications*</i>	\$1,782.42	
Total Committed Program		\$1,792.42
AVAILABLE FOR PROGRAMMING		\$197.58

* Of this amount, approximately \$1,767 million has been allocated.

GARVEE BONDS

The 2002 FE does not assume any GARVEE bonding. GARVEE bonds are a financing option that the CTC may consider if an urgent project meets the adopted criteria. The CTC has approved GARVEE guidelines, which include the stipulation that GARVEE funded projects must be eligible under state law for the STIP, have the design and environmental clearance completed, be federally eligible, and meet federal requirements.

Background

- Grant Anticipation Revenue Vehicles (GARVEE bonds or GARVEEs) are tax-exempt anticipation notes, bonds or other debt instrument financing mechanisms involving the payment of future Federal-aid highway funds to retire debt. GARVEEs can be used to finance right of way and/or construction costs to advance critical transportation projects sooner than through traditional funding mechanisms. This type of financing is appropriate when the additional public benefits resulting from early construction exceed the cost of financing.
- A GARVEE bond is any bond or note repayable, either exclusively or primarily, with future Federal-aid highway funds. A GARVEE bond does not mean the Federal government is guaranteeing the bonds.
- GARVEE bonds are subject to the same Federal match requirements as other Federal-aid projects. The matching State funds would be used for the project, rather than for repayment of interest on the bonds.
- Payable interest on GARVEE bonds has ranged from 4.25% to 5.5% in some states that have issued GARVEEs. While it is not possible to predict what interest rate a GARVEE issuance from the State of California would bring, factors that are considered by the rating agencies in determining the credit quality of the bond issue include the State's overall economic health and the soundness of the fiscal management of the State.
- Use of GARVEE bonds allows earlier construction of large projects where State and Federal funds may not otherwise be available.
- Use of GARVEE financing requires that the project(s) be designated as Advance Construction (AC). This could tie up a large portion of AC, and impact the state's ability to commit future AC. However, designated AC would be converted to Federal-aid in equal amounts as debt service payments on the bonds are made.
- Use of federal funds to repay debt service for GARVEE bonds reduces the amount of future Obligation Authority available for programming. A maximum of 30 percent of annual deposits of Federal funds into the SHA can be used for debt service.
- The planned amount of Federal-aid reimbursement for debt service must be included in the STIP, per Federal Highway Administration (FHWA) guidelines.

- Transit projects are not eligible under the GARVEE Program. GARVEE funding is sponsored by the FHWA, and utilizes Federal Highway dollars.
- GARVEE financing can be used to avoid inflation delays, and economic development benefits would be realized sooner. GARVEE bonding spreads the cost of project(s) over the useful life and offers an alternative financing solution when other alternatives are not available or feasible.
- This financing mechanism incurs interest and issuance costs, and ties up federal-aid funds in out-years. Repayment requires a reduction to the potential program level equal to the amount of the bonds, plus interest and issuance expenses.

Types of GARVEEs

- Stand-alone GARVEE - the creditworthiness of the bonds depends entirely on future Federal-aid reimbursements, and not on the state's or any other entity's revenues or credit.
- Insured GARVEE is a bond issue for which the issuing entity has purchased bond insurance. Bond insurance is a credit enhancement intended to make the bonds more marketable.
- Backstopped GARVEE involves a pledge of another revenue source, such as state's gas tax or General Obligation authority (requires 2/3 voter approval), to enhance the creditworthiness of the bonds.
- "Direct" GARVEE – bonds issued for a specific project(s). The Federal share of debt service is paid with Federal-aid Advance Construction reimbursements. Projects must be Federal-aid eligible under Title 23 United State Code (U.S.C.), and authorized by the FHWA.
- "Indirect" GARVEE – bonds repayable with collected reimbursements for Federal-aid projects already constructed. This stream of reimbursements cannot be used for debt service on other, non-federal projects, without voter approval.

The GARVEE Process

- Identify Federal-aid eligible project(s) in the STIP. A GARVEE project would be authorized in same way other Federal-aid projects are authorized, except state can elect to seek reimbursement for costs of bond issuance (principal, interest, and related costs) instead of construction invoice costs. All direct GARVEE projects must be eligible for Federal-aid funds under Title 23 United State Code.
- Obtain approval for Advance Construction from FHWA Division office. The AC designation preserves the project's eligibility for future Federal-aid assistance.
- Select matching option
 - State funds cannot be used to pay interest on the bonds.

- Up-front match, based on state share (typically 9 percent to 12 percent) of project cost
- Match each debt service payment separately
- Separate bond issue for matching funds, repaid with purely state funds (requires 2/3 voter approval)
- Issue bonds – this is the point where state or state entity receives the proceeds of the bonds, and simultaneously incurs debt. Project construction begins.
- Partial conversion of Advance Construction as debt service comes due
 - FHWA Division would obligate for debt service
 - State would make debt service payment; FHWA would reimburse state

GARVEE bonds have not yet been used in the State of California. To date, at least eight states have issued GARVEEs.

COUNTY SHARE ESTIMATES

The charts on the following pages display available STIP county and interregional share balances, advance project development element per AB 1012, and STIP amendments and allocations. Below are brief explanations of County and Interregional Shares:

Carryover Balances

Unprogrammed Balance (Balance Advanced). These 2 columns identify the current county share balance to be carried forward. All programmed APDE projects have been deducted from the county share in arriving at this balance.

Projects Lapsed. This is the amount that has been deducted from each share for projects that were deleted from the STIP because they were not allocated before the end of the fiscal year programmed or by the time of any extension granted. This amount is to be added back into the balance available for the new county share period.

2002 STIP Share

New 3-Year Formula Share. This is each county's distribution of the 2002 STIP's new programming capacity.

Total Current Share (Advances Remaining). This is the sum of the carryover balance, the return of lapsed funds, and the new 3-year formula share. It represents the amount guaranteed to be available for programming from each share. It assumes that all currently programmed APDE projects are deducted from the county share. If any current APDE project will remain an APDE project in the 2002 STIP (for example, the project will not be programmed for right-of-way or construction), the amount for that APDE project may be added back to the Total Current Share.

Potential Advance of County Share

4th Year Formula Share. This is each county's distribution of the Fund Estimate amount for FY 2007/08, which is the fourth year of the 4-year county share period defined in statute and the first year beyond the 2002 STIP period. This amount is guaranteed within the 4-year county share period and is potentially available, though not guaranteed, in the 2002 STIP. RTIPs may identify projects for current programming from this amount, identifying such projects separately.

Potential Total (Advances Remaining). This is the sum of the Total Current Share Available and the 4th Year Formula Share. It represents the maximum that may be programmed in a county in a region with over 1 million population (excluding APDE programming). Smaller regions may, in addition, propose an advance for a single larger project, provided that the advance does not exceed 200% of the county share for the current 4-year period (that is, 200% of the sum of the New 3-Year Formula Share and 4th Year Formula Share).

Advance Project Development Element Shares

2002 STIP APDE Share. This represents the maximum that may be programmed for APDE projects in the 2002 STIP. This is a new total, replacing (not adding to) the APDE share for the

2000 STIP. Any carryover 2000 STIP APDE project that will remain in the 2002 STIP (that is, no right-of-way or construction is being programmed) is to be deducted from this share.

Current APDE. This is the total of all APDE projects currently programmed, regardless of whether the projects will or will not remain APDE projects in the 2002 STIP.

Net Now Available. This is the 2002 STIP APDE share less the total of all APDE projects currently programmed.

2002 STIP FUND ESTIMATE COUNTY AND INTERREGIONAL SHARES Includes STIP Amendments and Allocations Through July 2001 (\$1,000's)						
County	Carryover Balances			2002 STIP Share		
	Unprogr'd Balance	Balance Advanced	Projects Lapsed	New 3-Year Formula Share	Total Current Share	Advances Remaining
Alameda	0	19	4,031	98,345	102,357	0
Alpine/Amador/Calaveras	12,974	0		16,648	29,622	0
Butte	1,483	0	1,615	18,807	21,905	0
Colusa	1,015	0		4,958	5,973	0
Contra Costa	9,667	0	420	63,743	73,830	0
Del Norte	0	2,691		4,743	2,052	0
El Dorado LTC	5,142	0		12,036	17,178	0
Fresno	0	85,421	731	67,957	0	16,733
Glenn	0	126	177	5,293	5,344	0
Humboldt	15,398	0	204	19,034	34,636	0
Imperial	22,393	0		31,799	54,192	0
Inyo	2,877	0	144	25,811	28,832	0
Kern	1,163	0		88,948	90,111	0
Kings	7,082	0		13,340	20,422	0
Lake	7,383	0	201	8,147	15,731	0
Lassen	0	1,168	28	12,101	10,961	0
Los Angeles	60,539	0	8,842	602,827	672,208	0
Madera	501	0		12,077	12,578	0
Marin	619	0	181	18,626	19,426	0
Mariposa	141	0		4,928	5,069	0
Mendocino	449	0	21	17,966	18,436	0
Merced	0	217	542	21,703	22,028	0
Modoc	0	0		6,426	6,426	0
Mono	0	2,957		19,112	16,155	0
Monterey	1,639	0	13	34,914	36,566	0
Napa	4,039	0		11,542	15,581	0
Nevada	7,742	0	1	10,078	17,821	0
Orange	129,566	0		181,767	311,333	0
Placer TPA	0	8,331	2	19,198	10,869	0
Plumas	956	0	159	7,284	8,399	0
Riverside	31,202	0	8,300	130,115	169,617	0
Sacramento	0	0	507	84,801	85,308	0
San Benito	2,604	0	74	6,328	9,006	0
San Bernardino	40,269	0	13,798	169,337	223,404	0
San Diego	67,636	0		198,196	265,832	0
San Francisco	5	0	391	50,254	50,650	0
San Joaquin	26,301	0	500	44,208	71,009	0
San Luis Obispo	2,946	0		35,536	38,482	0
San Mateo	3,677	0	1,297	51,753	56,727	0
Santa Barbara	20,981	0	418	40,600	61,999	0
Santa Clara	1,825	0	3,326	115,142	120,293	0
Santa Cruz	1,007	0	205	20,228	21,440	0
Shasta	10,484	0		20,555	31,039	0
Sierra	1,478	0	277	3,429	5,184	0
Siskiyou	0	0	1	14,275	14,276	0
Solano	2,969	0	5,012	30,183	38,164	0
Sonoma	6,621	0	455	36,843	43,919	0
Stanislaus	20,360	0	85	34,236	54,681	0
Sutter	4,037	0		7,740	11,777	0
Tahoe RPA	5,311	0	1,158	5,150	11,619	0
Tehama	0	2,745	173	10,318	7,746	0
Trinity	6	0	424	7,419	7,849	0
Tulare	43,309	0	5,802	41,790	90,901	0
Tuolumne	0	5,333		8,433	3,100	0
Ventura	0	13,056		59,562	46,506	0
Yolo	0	2	66	16,485	16,549	0
Yuba	0	0		5,926	5,926	0
Statewide Regional	585,796	122,066	59,581	2,709,000	3,249,044	16,733
Interregional	0	194,086	3,426	903,000	712,340	0
Statewide Total	585,796	316,152	63,007	3,612,000	3,961,384	16,733

2002 STIP FUND ESTIMATE COUNTY AND INTERREGIONAL SHARES Includes STIP Amendments and Allocations Through July 2001 (\$1,000's)						
County	Potential Advance of County Share (For Share Period FY 04/05-07/08)			Adv Proj Devel Element Shares		
	4th Year Formula Share	Potential Total	Advances Remaining	2002 STIP Total	Current APDE	Net Now Available
Alameda	64,229	166,586	0	25,975	3,000	22,975
Alpine/Amador/Calaveras	10,873	40,495	0	4,397		4,397
Butte	12,283	34,188	0	4,967	500	4,467
Colusa	3,237	9,210	0	1,309		1,309
Contra Costa	41,631	115,461	0	16,836		16,836
Del Norte	3,097	5,149	0	1,253		1,253
El Dorado LTC	7,860	25,038	0	3,179		3,179
Fresno	44,383	27,650	0	17,949		17,949
Glenn	3,458	8,802	0	1,398		1,398
Humboldt	12,431	47,067	0	5,027		5,027
Imperial	20,767	74,959	0	8,399		8,399
Inyo	16,857	45,689	0	6,817		6,817
Kern	58,092	148,203	0	23,493		23,493
Kings	8,712	29,134	0	3,523		3,523
Lake	5,322	21,053	0	2,152		2,152
Lassen	7,904	18,865	0	3,196	1,168	2,028
Los Angeles	393,707	1,065,915	0	159,219	11,623	147,596
Madera	7,887	20,465	0	3,190		3,190
Marin	12,164	31,590	0	4,919		4,919
Mariposa	3,218	8,287	0	1,302		1,302
Mendocino	11,734	30,170	0	4,745		4,745
Merced	14,175	36,203	0	5,732		5,732
Modoc	4,197	10,623	0	1,697		1,697
Mono	12,482	28,637	0	5,048		5,048
Monterey	22,803	59,369	0	9,222	2,683	6,539
Napa	7,538	23,119	0	3,049		3,049
Nevada	6,581	24,402	0	2,662		2,662
Orange	118,713	430,046	0	48,008		48,008
Placer TPA	12,539	23,408	0	5,071	685	4,386
Plumas	4,757	13,156	0	1,924		1,924
Riverside	84,977	254,594	0	34,366		34,366
Sacramento	55,383	140,691	0	22,398		22,398
San Benito	4,133	13,139	0	1,671		1,671
San Bernardino	110,594	333,998	0	44,725		44,725
San Diego	129,442	395,274	0	52,347		52,347
San Francisco	32,821	83,471	0	13,273		13,273
San Joaquin	28,873	99,882	0	11,676		11,676
San Luis Obispo	23,209	61,691	0	9,386	200	9,186
San Mateo	33,800	90,527	0	13,669		13,669
Santa Barbara	26,516	88,515	0	10,723		10,723
Santa Clara	75,200	195,493	0	30,411		30,411
Santa Cruz	13,211	34,651	0	5,343		5,343
Shasta	13,425	44,464	0	5,429		5,429
Sierra	2,239	7,423	0	906		906
Siskiyou	9,323	23,599	0	3,770		3,770
Solano	19,713	57,877	0	7,972	2,250	5,722
Sonoma	24,062	67,981	0	9,731		9,731
Stanislaus	22,360	77,041	0	9,042		9,042
Sutter	5,054	16,831	0	2,044		2,044
Tahoe RPA	3,363	14,982	0	1,360		1,360
Tehama	6,738	14,484	0	2,725	1,000	1,725
Trinity	4,845	12,694	0	1,959		1,959
Tulare	27,294	118,195	0	11,038		11,038
Tuolumne	5,507	8,607	0	2,227		2,227
Ventura	38,901	85,407	0	15,732		15,732
Yolo	10,766	27,315	0	4,354		4,354
Yuba	3,870	9,796	0	1,565		1,565
Statewide Regional	1,769,250	5,001,561	0	715,500	23,109	692,391
Interregional	589,750	1,302,090	0	238,500	5,895	232,605
Statewide Total	2,359,000	6,303,651	0	954,000	29,004	924,996

APPENDIX A – SHA FUND ESTIMATE DETAILS

2002 SHA & FEDERAL FUND ESTIMATE DETAIL

(\$ Millions)

	2001/02 FE	2002/03	2003/04	2004/05	2005/06	2006/07	5-Year Total	2007/08	2008/09	AB1012 Total
STATE REVENUES										
FUEL TAXES	\$ 1,976.633	\$ 2,079.614	\$ 2,127.574	\$ 2,175.740	\$ 2,222.989	\$ 2,271.498	\$ 10,877.415	\$ 2,316.836	\$ 2,361.181	\$ 4,678.017
HUTA - Gas (F00062)	\$ 1,663.544	\$ 1,744.037	\$ 1,782.616	\$ 1,821.134	\$ 1,858.462	\$ 1,896.767	\$ 9,103.016	\$ 1,931.613	\$ 1,965.167	\$ 3,896.780
HUTA - Diesel (F00062)	\$ 308.089	\$ 330.577	\$ 339.958	\$ 349.606	\$ 359.527	\$ 369.731	\$ 1,749.399	\$ 380.223	\$ 391.014	\$ 771.237
HUTA - Other (F00062)	\$ 5.000	\$ 5.000	\$ 5.000	\$ 5.000	\$ 5.000	\$ 5.000	\$ 25.000	\$ 5.000	\$ 5.000	\$ 10.000
MOTOR VEHICLE REGISTRATION (WEIGHT FEES) (114100)	\$ 793.000	\$ 838.000	\$ 872.000	\$ 906.000	\$ 939.000	\$ 973.000	\$ 4,528.000	\$ 1,007.000	\$ 1,041.000	\$ 2,048.000
MISCELLANEOUS RESOURCES	\$ 1,307.874	\$ 820.469	\$ 116.146	\$ 100.692	\$ 83.199	\$ 657.992	\$ 1,778.498	\$ 120.065	\$ 77.473	\$ 197.538
SMIF (150300)	\$ 100.000	\$ 28.050	\$ 24.901	\$ 19.585	\$ 25.866	\$ 65.959	\$ 164.360	\$ 42.000	\$ 18.000	\$ 60.000
Misc. Revenue from use of property/money (152300)	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 100.000	\$ 20.000	\$ 20.000	\$ 40.000
Rentals of State Property (152200)	\$ 18.800	\$ 19.176	\$ 19.560	\$ 19.951	\$ 20.350	\$ 20.757	\$ 99.794	\$ 21.172	\$ 21.595	\$ 42.767
Conv. To Prog. Cap.	\$ 1,169.204	\$ 725.103	\$ 113.270	\$ 68.460	\$ -	\$ -	\$ 906.834	\$ 19.320	\$ -	\$ 19.320
Net Cash From A/C	\$ (16.000)	\$ 12.000	\$ (78.000)	\$ (44.000)	\$ -	\$ -	\$ (110.000)	\$ -	\$ -	\$ -
Reimbursement from TIF & TCRP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 534.000	\$ 534.000	\$ -	\$ -	\$ -
Other revenues	\$ 15.870	\$ 16.140	\$ 16.415	\$ 16.696	\$ 16.983	\$ 17.276	\$ 83.510	\$ 17.573	\$ 17.878	\$ 35.451
TRANSFERS TO/FROM OTHER FUNDS	\$ (575.626)	\$ (288.060)	\$ (80.927)	\$ (82.123)	\$ (83.349)	\$ (84.605)	\$ (619.064)	\$ (85.891)	\$ (87.206)	\$ (173.097)
PTA for Planning 2660-021-0042 (T00046)	\$ (25.400)	\$ (26.090)	\$ (26.790)	\$ (27.510)	\$ (28.250)	\$ (29.010)	\$ (137.650)	\$ (29.790)	\$ (30.590)	\$ (60.380)
PTA for Street and Highways Code 183.1 (T00046)	\$ (46.450)	\$ (45.720)	\$ (46.187)	\$ (46.663)	\$ (47.149)	\$ (47.645)	\$ (233.364)	\$ (48.151)	\$ (48.666)	\$ (96.817)
Transfer to Cities / Counties per MR (TIF)	\$ (154.000)	\$ (200.000)	\$ -	\$ -	\$ -	\$ -	\$ (200.000)	\$ -	\$ -	\$ -
Other transfers	\$ (349.776)	\$ (16.250)	\$ (7.950)	\$ (7.950)	\$ (7.950)	\$ (7.950)	\$ (48.050)	\$ (7.950)	\$ (7.950)	\$ (15.900)
EXPENDITURES (Other Departments)	\$ (68.866)	\$ (71.163)	\$ (73.847)	\$ (76.542)	\$ (79.247)	\$ (81.964)	\$ (382.763)	\$ (84.693)	\$ (87.433)	\$ (172.127)
DMV State Ops - Weight Fee Collection Costs (2740)	\$ (42.025)	\$ (44.465)	\$ (46.610)	\$ (48.755)	\$ (50.900)	\$ (53.045)	\$ (243.775)	\$ (55.190)	\$ (57.335)	\$ (112.525)
California Highway Patrol State Ops (2720)	\$ (21.947)	\$ (22.386)	\$ (22.834)	\$ (23.290)	\$ (23.756)	\$ (24.231)	\$ (116.497)	\$ (24.716)	\$ (25.210)	\$ (49.926)
Other expenditures	\$ (4.894)	\$ (4.312)	\$ (4.403)	\$ (4.497)	\$ (4.591)	\$ (4.688)	\$ (22.491)	\$ (4.787)	\$ (4.888)	\$ (9.676)
FEDERAL REVENUES										
TEA21-FEDERAL RESOURCES FOR STATE & LOCAL	\$ 2,204.000	\$ 2,248.000	\$ 2,694.000	\$ 2,747.000	\$ 2,802.000	\$ 2,857.000	\$ 13,348.000	\$ 2,914.000	\$ 2,972.000	\$ 5,886.000
TEA21-Obligation Authority (OA)	\$ 2,184.000	\$ 2,228.000	\$ 2,674.000	\$ 2,727.000	\$ 2,782.000	\$ 2,837.000	\$ 13,248.000	\$ 2,894.000	\$ 2,952.000	\$ 5,846.000
August Redistribution Bonus	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 20.000	\$ 100.000	\$ 20.000	\$ 20.000	\$ 40.000
FEDERAL ADJUSTMENTS	\$ 72.891	\$ 87.811	\$ 80.561	\$ 73.597	\$ 66.900	\$ 60.457	\$ 369.326	\$ 54.255	\$ 48.283	\$ 102.538
Aeronautics expenditure adjustment per Gov. Bud.	\$ (0.584)	\$ (0.596)	\$ (0.608)	\$ (0.620)	\$ (0.632)	\$ (0.645)	\$ (3.100)	\$ (0.658)	\$ (0.671)	\$ (1.329)
PTA expenditure adjustments per the Gov. Bud.	\$ (51.525)	\$ (36.593)	\$ (37.581)	\$ (38.596)	\$ (39.638)	\$ (40.708)	\$ (193.116)	\$ (41.807)	\$ (42.936)	\$ (84.743)
RABA Increase	\$ 125.000	\$ 125.000	\$ 118.750	\$ 112.812	\$ 107.170	\$ 101.810	\$ 565.542	\$ 96.720	\$ 91.890	\$ 188.610

2002 SHA & FEDERAL FUND ESTIMATE DETAIL

(\$ Millions)

	2001/02 FE	2002/03	2003/04	2004/05	2005/06	2006/07	5-Year Total	2007/08	2008/09	AB1012 Total
STATE & FEDERAL EXPENDITURES										
STATE OPERATIONS	\$ (1,446.501)	\$ (1,463.328)	\$ (1,552.837)	\$ (1,594.764)	\$ (1,637.823)	\$ (1,682.044)	\$ (7,930.796)	\$ (1,727.459)	\$ (1,774.100)	\$ (3,501.560)
Program Development	\$ (91.964)	\$ (73.987)	\$ (75.985)	\$ (78.036)	\$ (80.143)	\$ (82.307)	\$ (390.459)	\$ (84.530)	\$ (86.812)	\$ (171.341)
Legal	\$ (63.274)	\$ (64.982)	\$ (66.737)	\$ (68.539)	\$ (70.389)	\$ (72.290)	\$ (342.937)	\$ (74.242)	\$ (76.246)	\$ (150.488)
Operations	\$ (116.047)	\$ (114.356)	\$ (117.444)	\$ (120.615)	\$ (123.872)	\$ (127.216)	\$ (603.503)	\$ (130.651)	\$ (134.179)	\$ (264.830)
Maintenance	\$ (803.038)	\$ (820.984)	\$ (843.150)	\$ (865.915)	\$ (889.295)	\$ (913.306)	\$ (4,332.651)	\$ (937.965)	\$ (963.290)	\$ (1,901.256)
Mass Transportation	\$ (0.336)	\$ (0.345)	\$ (0.354)	\$ (0.364)	\$ (0.374)	\$ (0.384)	\$ (1.821)	\$ (0.394)	\$ (0.405)	\$ (0.799)
Transportation Planning	\$ (48.466)	\$ (49.775)	\$ (51.118)	\$ (52.499)	\$ (53.916)	\$ (55.372)	\$ (262.680)	\$ (56.867)	\$ (58.402)	\$ (115.269)
Administration	\$ (302.394)	\$ (288.898)	\$ (296.698)	\$ (304.709)	\$ (312.936)	\$ (321.386)	\$ (1,524.628)	\$ (330.063)	\$ (338.975)	\$ (669.038)
Equipment Service Center	\$ (20.982)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BCP Reservation	\$ -	\$ (50.000)	\$ (101.350)	\$ (104.086)	\$ (106.897)	\$ (109.783)	\$ (472.116)	\$ (112.747)	\$ (115.791)	\$ (228.538)
SHOPP	\$ (1,700.138)	\$ (1,469.186)	\$ (1,377.333)	\$ (1,481.829)	\$ (1,640.700)	\$ (1,717.685)	\$ (7,686.733)	\$ (1,676.034)	\$ (1,694.249)	\$ (3,370.283)
SHOPP/TEA	\$ (933.540)	\$ (892.440)	\$ (874.000)	\$ (900.660)	\$ (973.710)	\$ (1,036.190)	\$ (4,677.000)	\$ (1,060.640)	\$ (1,074.210)	\$ (2,134.850)
Stormwater	\$ (15.540)	\$ (40.440)	\$ (50.370)	\$ (59.090)	\$ (66.780)	\$ (74.250)	\$ (290.930)	\$ (67.000)	\$ (48.410)	\$ (115.410)
SHOPP Capital Outlay Office Projects	\$ (192.599)	\$ (19.086)	\$ (1.663)	\$ (2.779)	\$ (48.510)	\$ (24.100)	\$ (96.138)	\$ -	\$ -	\$ -
SHOPP Minor	\$ (91.025)	\$ (91.520)	\$ (91.700)	\$ (91.700)	\$ (91.700)	\$ (91.700)	\$ (458.320)	\$ (91.700)	\$ (91.700)	\$ (183.400)
SHOPP Support	\$ (467.434)	\$ (425.700)	\$ (359.600)	\$ (427.600)	\$ (460.000)	\$ (491.445)	\$ (2,164.345)	\$ (456.694)	\$ (479.929)	\$ (936.623)
LOCAL ASSISTANCE	\$ (980.615)	\$ (1,111.751)	\$ (1,044.643)	\$ (1,073.766)	\$ (1,138.948)	\$ (1,199.055)	\$ (5,568.162)	\$ (1,206.400)	\$ (1,267.618)	\$ (2,474.017)
Local Assistance Non-STIP	\$ (820.000)	\$ (874.000)	\$ (914.000)	\$ (978.000)	\$ (1,041.000)	\$ (1,099.000)	\$ (4,906.000)	\$ (1,108.000)	\$ (1,166.000)	\$ (2,274.000)
Retrofit Soundwalls	\$ (54.920)	\$ (134.140)	\$ (31.200)	\$ -	\$ -	\$ -	\$ (165.340)	\$ -	\$ -	\$ -
State/Local Partnership	\$ (32.196)	\$ (27.299)	\$ (20.640)	\$ (15.467)	\$ (15.894)	\$ (14.128)	\$ (93.428)	\$ (14.960)	\$ (15.902)	\$ (30.862)
Environmental Enhancement	\$ (10.000)	\$ (10.000)	\$ (10.000)	\$ (10.000)	\$ (10.000)	\$ (10.000)	\$ (50.000)	\$ (10.000)	\$ (10.000)	\$ (20.000)
Local Assistance Support	\$ (29.923)	\$ (30.731)	\$ (31.561)	\$ (32.413)	\$ (33.288)	\$ (34.187)	\$ (162.179)	\$ (35.110)	\$ (36.058)	\$ (71.167)
Local Assistance CMAQ & RSTP COS	\$ (32.576)	\$ (31.581)	\$ (32.242)	\$ (31.886)	\$ (32.766)	\$ (34.740)	\$ (163.215)	\$ (31.330)	\$ (32.658)	\$ (63.988)
TEA Regional STE & CL	\$ (1.000)	\$ (4.000)	\$ (5.000)	\$ (6.000)	\$ (6.000)	\$ (7.000)	\$ (28.000)	\$ (7.000)	\$ (7.000)	\$ (14.000)
STIP CAPITAL OUTLAY COMMITMENTS	\$ (1,631.511)	\$ (1,650.642)	\$ (1,479.557)	\$ (1,229.992)	\$ (741.804)	\$ (364.940)	\$ (5,466.935)	\$ (132.128)	\$ (24.940)	\$ (157.068)
SO and State STIP	\$ (462.420)	\$ (572.940)	\$ (718.390)	\$ (767.420)	\$ (436.550)	\$ (212.530)	\$ (2,707.830)	\$ (65.560)	\$ (1.790)	\$ (67.350)
Local Roads-STIP	\$ (244.600)	\$ (277.040)	\$ (232.960)	\$ (132.890)	\$ (57.630)	\$ (28.330)	\$ (728.850)	\$ (11.060)	\$ (2.130)	\$ (13.190)
STIP Transit Capital Outlay - Rail	\$ (38.254)	\$ (43.658)	\$ (52.370)	\$ (26.414)	\$ (20.354)	\$ (6.533)	\$ (149.329)	\$ (0.597)	\$ -	\$ (0.597)
STIP Transit Local Assistance - Mass Transit	\$ (129.138)	\$ (152.739)	\$ (83.785)	\$ (43.504)	\$ (35.724)	\$ (25.195)	\$ (340.947)	\$ (24.630)	\$ (17.935)	\$ (42.565)
STIP COS Support	\$ (527.099)	\$ (391.264)	\$ (269.652)	\$ (174.084)	\$ (140.138)	\$ (66.648)	\$ (1,041.786)	\$ (20.000)	\$ -	\$ (20.000)
TCRP Support	\$ (60.000)	\$ (60.000)	\$ -	\$ -	\$ -	\$ -	\$ (60.000)	\$ -	\$ -	\$ -
Right of Way	\$ (170.000)	\$ (153.001)	\$ (122.400)	\$ (85.680)	\$ (51.408)	\$ (25.704)	\$ (438.193)	\$ (10.281)	\$ (3.085)	\$ (13.366)

APPENDIX B – CTC RESOLUTION

PASSED BY
CTC
AUG 23 2001
CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
Adoption of 2002 STIP Fund Estimate

Resolution No. G-01-25

- 1.1 WHEREAS the 2002 State Transportation Improvement Program (STIP) will include the five fiscal years ending with fiscal year 2006-07 and the 2002 State Highway Operation and Protection Program (SHOPP) will include the four fiscal years ending with fiscal year 2005-06, and
- 1.2 WHEREAS the first two years of the five-year 2002 STIP are the last two years of the four-year 2000 STIP, so that three new program years are added, and
- 1.3 WHEREAS the three new program years are the first three years of the four-year STIP county share period, and
- 1.4 WHEREAS Government Code Sections 14524 and 14525 call for the Department of Transportation (Caltrans) to present and the California Transportation Commission to adopt a biennial STIP Fund Estimate to include an estimate of all state and federal funds reasonably expected to be available for the biennial STIP, including the amount that may be programmed in each county for regional improvement programs, and
- 1.5 WHEREAS Section 14529.01 of the Government Code, as added by Chapter 783 of the Statutes of 1999 (AB 1012, Torlakson), requires that each fund estimate, “designate an amount to be available for the advance project development element, which shall be not more than 25 percent of the programmable resources estimated to be available for the first and second years following” the STIP period, and
- 1.6 WHEREAS Caltrans, in accordance with Government Code Section 14524, presented its Draft 2002 STIP Fund Estimate at the July 11-12, 2001 Commission meeting and updated that Draft at the August 22-23, 2001 Commission meeting, and

- 1.7 WHEREAS the Caltrans Draft 2002 STIP Fund Estimate is generally consistent with the requirements in Government Code 14524, and
- 1.8 WHEREAS the Draft Fund Estimate identifies a total of \$3.612 billion in additional programming capacity for the 2002 STIP, plus \$954 million for the advance project development element, and
- 1.9 WHEREAS the Commission has considered the assumptions and information in the Draft 2002 STIP Fund Estimate, which include projections of revenue for state and federal transportation funds, existing STIP project commitments, and a review of the needs and requirements for funding other parts of the state transportation program including the SHOPP, and
- 1.10 WHEREAS STIP funding consists primarily of Federal funds and State funds needed to match Federal funds, thus limiting the opportunity to use State only funding for projects, and
- 1.11 WHEREAS the Commission's adoption of the 2000 STIP in December 2000 included a State only funding policy generally giving blanket approval for local projects under \$750,000 and, until March 2001, for all local road rehabilitation projects, regardless of cost, and providing for approval of other projects on an exception basis, and
- 1.12 WHEREAS the Commission, after receiving a report and recommendation from Caltrans, modified that policy in March 2001 to limit the blanket approval for projects under \$750,000 to those already programmed and to remove the blanket approval for larger rehabilitation projects, and
- 1.13 WHEREAS the Commission stated its intent in March to review the availability of State only funds and the State only funding policy in conjunction with the adoption of the 2002 Fund Estimate, and
- 1.14 WHEREAS Caltrans has presented its recommendation regarding State only funding policy at the August 22-23 meeting,
- 2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission hereby adopts the 2002 STIP Fund Estimate, as updated by Caltrans at the Commission's August 22-23, 2001 meeting, to include \$3.612 billion in new capacity for the STIP (\$2.928 billion from the State Highway Account, \$182 million from the Public Transportation Account, and \$502 million from the Transportation Investment Fund), plus \$954 million for the STIP Advance Project Development Element (\$698 million State Highway Account, \$96 million Public Transportation Account, \$160 million Transportation Investment Fund), and
- 2.2 BE IT FURTHER RESOLVED that county and interregional shares are made available without regard to funding source, although the Fund Estimate separately identifies

statewide STIP funding for the State Highway Account (which includes Federal funds), the Public Transportation Account, and the Transportation Investment Fund, and it is the Commission's intent to take advantage of statewide funding flexibility so that regional programming is not constrained by restrictions on any one of the funding sources, and

- 2.3 BE IT FURTHER RESOLVED that the Commission expects most STIP projects to qualify for Federal funding and will approve the allocation of State only funding for new projects in accordance with criteria specified in the Commission's revised State-only funding policy (Resolution G-01-26), as approved on August 23, 2001, which generally gives blanket approval for local projects under \$750,000, subject to the availability of funds, and
- 2.4 BE IT FURTHER RESOLVED that the Commission intends to consider advance approvals for State-only funding as part of the adoption of the 2002 STIP where RTIPs designate projects for State only funding, the projects are consistent with the State only funding policy, and appropriate exception requests are submitted to Caltrans by December 15, 2001, and
- 2.5 BE IT FURTHER RESOLVED that the Commission requests that Caltrans, in cooperation with Commission staff, distribute copies of the 2002 STIP Fund Estimate, including estimates of county and interregional shares for the current STIP period, for the four-year county share period ending fiscal year 2007-08, and for the advance project development element, to each regional agency and county transportation commission.